

Lebanon Board of Finance

Minutes of April 16, 2013

Regular Meeting

Members present: Liz Charron, Chairman, Glen Coutu, Vice Chairman, Donald Anderson, Greg Lafontaine, Betsy Petrie, and David Scata

Alternates present: Chuck Haralson, Diane Malozzi,

Alternate absent: Ed Tylor

Also present:

Selectmen: Joyce Okonuk, Linda Finelli, John Bendoraitis

Board of Education: Melissa Hoffman, Darcy Battye

Town Clerk Susan Coutu

Veronica Calvert, Finance Director

Member of the Press

Item A. Call to Order

The meeting was called to order at 7:00 p.m. by L. Charron.

Item B. Executive Session:

Motion made by Glen Coutu and seconded by Don Anderson to adjourn to an executive session to be held in the upstairs conference room for the purpose of discussing legal negotiations with Darcy Battye and Melissa Hofmann from the BOE and Joyce Okonuk, Linda Finelli, and John Bendoraitis from the Board of Selectmen. Passed unanimously.

Executive session ended at 7:30 p.m. and regular meeting resumed.

Item C. Review and Consider Accepting Minutes of previous Meetings

Glen Coutu made a motion to accept the minutes of March 7, 2013, Public Hearing. Seconded by Don Anderson. Discussion if minutes need to be approved and are required for public hearings. Liz Charron noted that they are required and have to be approved. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 9, 2013, Public Hearing. Seconded by Don Anderson. Chuck Haralson noted that he was not listed at all, and it was pointed out that only those in attendance were identified. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 14, 2013 Special Meeting. Seconded by David Scata. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 19, 2013 Special Meeting. Seconded by Don Anderson. Discussion regarding leaving minutes as presented or to include in minutes discussion vs. vote on accounts. Joyce Okonuk offered suggestions. Betsy Petrie discussed one year anomalies in the budget for next year. Discussion regarding tentative and initial recommendations. It was decided rather than the term "action" it be identified as "initial recommendation". Motion passed with David Scata abstaining.

Glen Coutu made a motion to accept the minutes of March 19, 2013, Public Hearing. Seconded by Don Anderson. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 19, 2013, Regular Meeting. Seconded by Don Anderson. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 21, 2013, Public Hearing. Seconded Don Anderson. Motion passed with David Scata abstaining.

Glen Coutu made a motion to accept the minutes of March 26, 2013, Special Meeting, 6:00 p.m. Seconded by Don Anderson. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 26, 2013, Special Meeting, 7:00 p.m. Seconded by Don Anderson. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of March 27, 2013, Special Meeting with the following modification. Seconded by Don Anderson.

Motion of March 27, 2013 to be correct to read as follows

Motion made by Glen Coutu, seconded by Gregg Lafontaine, to request the Board of Selectmen to call special town meeting for the purpose of appropriating from General Fund Balance to the Capital Reserve \$25,000 for the Sisson Road Bridge deficit and \$41,241.00 for the Capital Uncommitted Fund Balance. Motion passes unanimously.

Motion passed with Don Anderson and David Scata abstaining.

Glen Coutu made a motion to accept the minutes of March 28, 2013 Special Meeting. Seconded by Don Anderson. Motion passed unanimously.

Glen Coutu made a motion to accept the minutes of April 8, 2013 Public Hearing. Seconded by David Scata. Motion passed with Don Anderson abstaining.

Glen Coutu made a motion to accept the minutes of April 9, 2013, Special Meeting. Seconded by Greg Lafontaine. Discussion if Chappell Road was part of the original plan. Discussion of adding the wording of tractor to the over the rail mower as it is a 2 piece unit. It was decided that the BOF understood the capital item to be 2 components. Motion passed with Don Anderson and David Scata abstaining.

Item D. Correspondence:

E-mail from auditor regarding state statute permitting BOF to set aside up to 1% of Board of Education budget to unexpended funds.

The Auditor also clarified the history of the deficit in the Unfunded Fund Balance in the Capital Fund. The original deficit was \$84,368 and was created when the budget reflected a cash inflow from the Norwich Water Fund in 2007 when that fund had been completely used in the prior fiscal year so the funds were not there to transfer into Capital. Interest to the Capital Fund has reduced the deficit over the years to \$56,452. The reallocations made by the BOF at the March 27, 2013 meeting further reduced it to \$41,241.

Item E. Public Comments:

None

Item F BOE Quarterly Expenditures Town Quarterly Expenditures, Invoices, Revenues, TIP, Contingency and Transfers

Darcy Battye distributed monthly reports from the Board of Education as of March 31, 2013. Things seem to be status quo as noted by Darcy Battye. There is still a \$661,000.00 surplus though the BOE identified some special services needs that have come up

The BOE asked that the BOF provide feedback on the VO-Ag grant funds showing negative balance of \$ 27,749. This was for computers that were delivered to the wrong location. Consensus of Board of Finance is that this transfer can take place within the BOE operating budget to close out this account. The BOF does not do that for the BOE funds.

Darcy distributed on behalf of the Superintendent information regarding Special Education costs. There is a new student as of April 1st. Unbudgeted Special Education changes and tuition and transportation would be approximately \$158,000.00. This would have an impact on the budget that was submitted. David Scata discussed excess costs thresholds and magnet school tuition. There is approximately a regular tuition cost of between \$12 – 13,000.00 per pupil. David Scata noted that the increase in Special Education costs needs to be considered. Greg Lafontaine discussed the lateness of this information.

Veronica Calvert discussed the notes on the monthly expenditure report including the rate for the assessor. Veronica discussed the invoice from the auditor for work done in February and March. This is an over expenditure in account 406.

David Scata made a motion to approve an over expenditure in account 406 up to \$1,914.00 to cover the invoice from the auditor. Funds to come from Contingency. Seconded by Betsy Petrie. Motion passed with Gregg Lafontaine voting nay.

David Scata made a motion to approve an over expenditure in the line item for Assessor up to \$4,800.00. Funds to come from Contingency. Seconded by Don Anderson. Motion passed unanimously.

Veronica Calvert discussed the invoice from CIRMA for the addition of three vehicles to the automobile policy. David Scata made a motion to approve an over expenditure in 418 Insurance up to \$1,561.00. Funds to come from contingency. Glen Coutu discussed that addition expenses when adding vehicles will have to be considered, and need to anticipate the increased costs. Motion passed unanimously.

Veronica Calvert discussed the Fringe Benefits line item. The numbers have increased as the union contract was ratified in September after the budget was approved. The projections were different as people changed their enrollment as explained by Joyce Okunuk.

Betsy Petrie made a motion to authorize and over expenditure in Fringe Benefits up to \$41,526 with funds to come from Contingency. Seconded by David Scata. Discussion of keeping an eye on fringe benefits. Noted that Veronica had discussed this previously. David Scata left the meeting at 8:25 p.m. Diane Malozzi will sit for David. Motion passed unanimously.

Noted that these approvals used about \$50,000 of the Contingency Fund.

No discussion on revenues. TIP report – pending phone charges may not be correct.

Item G. New Business

1. Audit Findings

Town Clerk Susan Coutu distributed the research information she had done regarding audit findings and downturn in Town Clerk, and conveyance fees from previous fiscal years. Glen Coutu recused himself from discussion. The Town Clerk discussed the process of accounting for all the fees received and distributed a spread sheet that outlined the number of transactions and an analysis. Town Clerk also distributed a letter that had been prepared to explain matter. Following discussion Town Clerk will send only the Excel Spread sheet to the Auditor. Conveyance fees are a direct result of property sales prices and with a decrease in sales prices will

result in less conveyance fees being collected. Question if there is a software program that could automate this process as there seems to be a lot of manual entries. There is none that the Town Clerk is aware of. There is an upgrade coming up on the indexing system. The spread sheet is also given to the Finance Office on a weekly basis. Suggested to have three categories in new fiscal year to bucket the revenue types.

Veronica had distributed a draft of a policy for the Finance Office. Following discussion it was determined that a working meeting needs to held regarding policies.

Fixed asset training will be next Monday and Tuesday as noted by Veronica Calvert. This will address one of the audit findings.

2. Information for the BOF: Accounting for permanent trust funds.

Veronica Calvert noted that the auditor has suggested a separate account for endowments and donations. Veronica will set up with the auditor. Will separate from General Fund. Some are in General Fund liability account, the rest are encumbered. Can only spend interest.

3. Discuss and act on 2013-2014 Fiscal Year appropriations for the Town of Lebanon General Town Government, Special Revenue Funds, Board of Education, Capital Reserve and Annual Capital Expense Fund and estimates of revenues to be presented at the annual town meeting.

Discussion of no numbers yet from the State regarding aid for roads. May not know until next week. Discussion of the formula used and why there are different accounts used for unimproved roads. Discussion of how this is split in Public Works. Consensus to charge labor costs to unimproved roads. Joyce Okonuk discussed holding towns harmless when State budget is finalized. Revenue for student transportation may be increased and aid for roads may be decreased. Gravel and paving expenses discussed.

No action taken.

4. Discuss and act on requesting the Board of Selectmen call a town meeting for the 2013-2014 budget.

Gregg Lafontaine made a motion to request the Board of Selectmen to bring to the Annual Town Meeting a proposed 2013-2014 budget for the Town of Lebanon of \$23,519,526.00 to include General Town Government, Board of Education and Special Revenue accounts and capital expenditures with projected revenue of \$7,273,158.00 and an estimated mil rate of 23.9 as outlined in the document exhibit dated April 16, 2013. Motion passed with Glen Coutu voting nay.

5. Discuss and act on strategies for presenting the budget and associated information at the annual town meeting.

Discussion that the presentation and budget are tied to revenues we already have. Explanation of Board of Education budget. If there are any further suggestions, e-mail to Liz Charron.

Item H. Other

Discussion on not sending as many attachments for material for meetings. Use of tablets discussed.

Item I. Adjourn

Don Anderson made a motion to adjourn. Seconded by Betsy Petrie. Motion passed unanimously. Meeting adjourned at 9:52. P.M.

Respectfully Submitted,

Kathleen E. Chapman

Board of Finance Clerk

Board of Finance

April 16, 2013

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